

# A Partner for Sustainable Growth

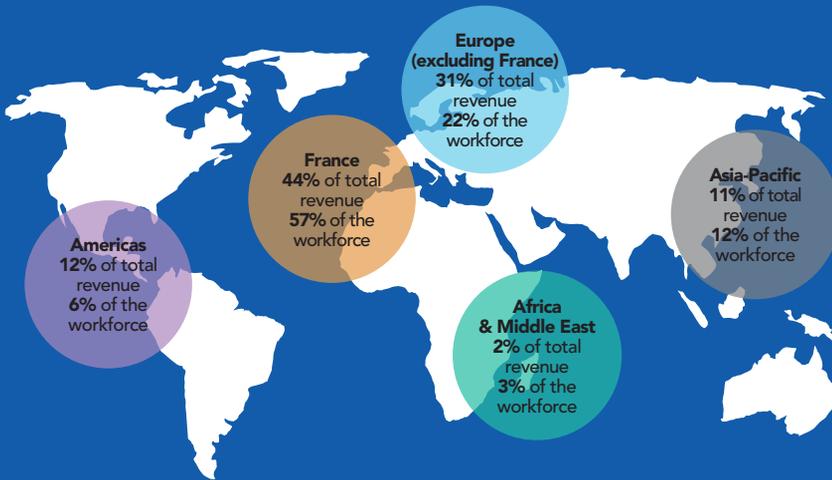
2014  
CORPORATE SOCIAL  
RESPONSIBILITY REPORT



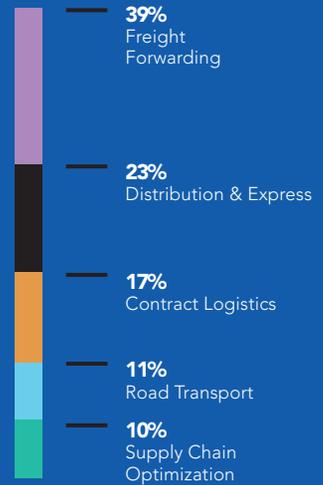
**GEODIS**

# GEODIS in 2014

## Revenue and Workforce by Region

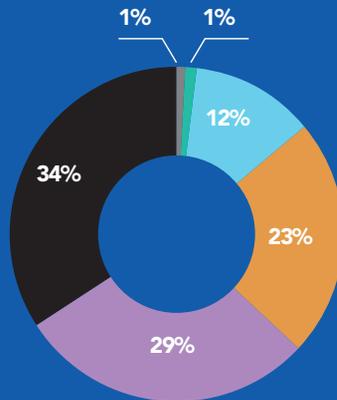


## Revenue by Line of Business



## Workforce by Line of Business

- Distribution & Express
- Freight Forwarding
- Contract Logistics
- Road Transport
- Supply Chain Optimization
- Head Office



**€6.8 billion**  
Revenue in 2014  
(+1% vs. 2013)



**30,000**  
Employees  
in 67 countries

## 2014 Corporate Social Responsibility Report Contents

|      |   |
|------|---|
| P.4  | Our Approach  |
| P.11 | #1 Being the Sustainable Growth Partner for our Clients |
| P.17 | #2 Reducing our Environmental Footprint                 |
| P.22 | #3 Fostering Human Development                          |
| P.26 | #4 Being Involved at the Heart of Society               |
| P.30 | CSR Indicators  |

### ACKNOWLEDGEMENTS

The GEODIS 2014 CSR Report was produced by the GEODIS CSR and Communication Departments, with input from the functional and operational departments of the Group and its Lines of Business. We would like to thank all those who contributed to this report.

## One Unique Brand, Five Lines of Business

### SUPPLY CHAIN OPTIMIZATION

GEODIS is the end-to-end Supply Chain Optimization specialist building collaborative, flexible and global solutions. It achieves this through innovative network design, building on operational excellence. GEODIS ensures cost effectiveness through engineering and procurement skills and in assembling its Lines of Business' expertise with the right partners to deliver the best solution.



### FREIGHT FORWARDING

With a global reach and a presence in 67 countries, the Freight Forwarding Line of Business is one of the world's largest freight forwarding operators. It delivers goods through multi-modal transportation (sea, air, road or rail), value-added services and effective customs brokerage services to ensure the fastest delivery at destination.



### CONTRACT LOGISTICS

With over 180 platforms and 3,000,000 sqm. of warehousing space globally, GEODIS is one of the leading Contract Logistics providers. From warehousing and distribution center management to line-side deliveries, it provides a wide range of services and solutions targeted to cost-effectively manage its customers' flows, reduce inventory cost, increase inventory turns and make their supply chain more efficient.



### DISTRIBUTION & EXPRESS

The Distribution & Express Line of Business is specialized in last-mile delivery supported by automated solutions for increased flexibility, efficiency and reliability. Its ability to innovate and customize road transport flows underpins its leadership position.



### ROAD TRANSPORT

Full truckload transport (site-to-site, milkround). With its large fleet of semi-trailers (including tankers) and tractors, the Road Transport Line of Business is a frontrunner in Europe when it comes to distribution. It offers a comprehensive range of road transport services and specialized solutions for the chemical, industrial, automotive, consumer goods, press and retail industries.



### SCOPE OF THIS REPORT

GEODIS is an integral part of SNCF Logistics, the freight transport branch of SNCF. The four SNCF Logistics activities are GEODIS, STVA (transport and logistics for finished vehicles), Rail Freight and Multimodal (Fret SNCF and its subsidiaries); Rail Freight Fleet Management (Ermewa Group). GEODIS is the largest SNCF Logistics business entity. This document published in May 2015 refers to GEODIS. GEODIS has published a Sustainable Development Report since 2009 and a Corporate Social Responsibility Report since 2013. More information on GEODIS' progress relating to CSR as well as all 2014 CSR indicators are available on [www.geodis.com](http://www.geodis.com).

# A RESPONSIBLE PARTNER FOR GROWTH



**MARIE-CHRISTINE LOMBARD,**  
CEO OF GEODIS

## Was 2014 a good year for GEODIS?

**Marie-Christine Lombard:** Yes, we had a good year on the whole. On a like-for-like basis, our sales increased by 1%, driven entirely by organic growth. We saw the strongest increases in Latin America and Asia. Both grew double digit. Our company plan, "Ambition 2018", which sets out our Mission, Vision and Values, established itself as a driving force in the company and the hard work and dedication of our employees throughout the Group was the driver for our success.

During the year, we also started the substantial groundwork on the unique GEODIS brand, which was launched early in 2015. The new brand clearly positions us as a leading Transport and Logistics provider helping our customers overcome their logistical constraints.

## What has the Group achieved in terms of Corporate Social Responsibility (CSR) initiatives?

**M.-C.L.:** We are doing well in terms of taking measures to improve safety at work. All our Lines of Business have devised powerful awareness campaigns that focus on specific risks in their activities. Senior management has a key part to play – the posters used in a campaign run by Distribution & Express even show executives demonstrating safe behavior! We have launched the certification process for the "Investors In People" (IIP) standard with an aim of implementation across the Group by the end of 2016. Our Head Office and most of Freight Forwarding are already IIP certified, Contract Logistics and Road Transport will be assessed in 2015 and Distribution & Express and Supply Chain Optimization will follow in 2016. I should add that a number of our operations have now been certified for the GEES/GEIS standard on gender equality. "Stakeholders' Total Satisfaction" (STS) remains central to our philosophy. We ran our first worldwide customer satisfaction survey in 2014, addressing questions to over 90,000 customers. Several topics relating to our performance on key CSR issues (e.g., safety, ethics, diversity and the environment) received approval scores of 90% or better. Let me also mention the partnership agreement we signed with Handicap International, an aid organization that does remarkable work around the world to help vulnerable people in many countries. I'm particularly proud of this partnership.

## Where can you improve in this area?

**M.-C.L.:** We aim to act responsibly when we design offers and reply to requests for quotations. We are developing increasingly innovative eco-friendly solutions. An example of our approach is the China-France offer developed by Freight Forwarding and Distribution & Express, which combines road and rail to produce a low-carbon solution that will help our customers to substantially lower their greenhouse gas emissions. This typifies our approach: we want our customers to benefit from our expertise.

Another area where we are focusing our attention on is the employee satisfaction survey. We have already organized two surveys and will organize one each year. We have to make sure the lessons we learn from the results guide us in our management decisions. We also want to improve the way we monitor our suppliers and subcontractors' performance with respect to CSR and ethics and help them improve. We will look more closely at strengthening our policy on sustainable purchasing and, in particular, socially inclusive purchasing. Our partnership with EcoVadis will help us in this project. Now that we have launched the unique GEODIS brand across all Lines of Business, we hope that all our employees will take pride in the ventures and initiatives carried out by a responsible company.

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*Now that we have launched the unique GEODIS brand across all Lines of Business, we hope that all our employees will take pride in the ventures and initiatives carried out by a responsible company."*

Marie-Christine Lombard  
CEO of GEODIS

## Where do your CSR initiatives go from here?

**M.-C.L.:** We are eager to collaborate with our customers and other stakeholders, because our CSR initiatives can help them create value. As I previously mentioned, we continue to promote eco-friendly distribution solutions. An example is the Road Transport contract we recently signed with the BHV MARAIS department stores in Paris. The customer required a clean transport solution for supplying its stores in Paris, and we have provided an innovative solution using compressed natural gas. Let me conclude with a word about the 21<sup>st</sup> United Nations Climate Change Conference of the Parties (COP 21) due to be held in Paris later this year in 2015. For two weeks, Paris will be in the spotlight of international attention. As a French company with a worldwide profile, this is the ideal time for us to demonstrate our CSR engagement. Achieving pollution-free urban logistics is high on our agenda. In 2015, we will be rolling out our Megacities project, providing eco-friendly services starting in Paris, Mexico and Shanghai. In Paris, Distribution & Express will progressively implement and increase the amount of electric vehicles in their fleet. Next to that, we are investigating other options of alternative fuels. Many people think it's more urgent than ever for the world's nations to reach an agreement on fighting against global warming. As a Transport and Logistics company, we are part of the issue of global warming yet as a responsible company, we are also part of the solution and we intend to play that role. ●

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# CSR at the Heart of our Company Plan

In 2013, GEODIS launched its company plan: *Ambition 2018*. Since then, the plan has become a key component in decision-making processes within the Group. *Ambition 2018* represents GEODIS' statement on how it intends to develop and grow over the coming years.

The plan is anchored by our Mission, our Vision and our Values – three elements that underscore all GEODIS' activities and operations. Since the launch, the senior management team has conducted roadshows and information meetings across the globe. In 2014, the team continued to present *Ambition 2018* to employees and answer their questions.

## Our Mission

We help our clients succeed by overcoming logistical constraints.

## Our Vision

We are the growth partner for our clients.

## Our Values

We are experts in Transport and Logistics solutions, united by a shared passion and commitment. The five values the entire Group adheres to are Commitment, Innovation, Trust, Solidarity and Passion.

We are **committed** to our clients, their needs, priorities and successes.

We continuously **innovate**, we go the extra mile to improve our performance and the performance of our clients.

We build **trust**, we are reliable, we respect our commitments and keep our word.

We demonstrate **solidarity**, we are loyal and faithful to our clients, partners and amongst ourselves.

We are **passionate**, determined and driven by the desire to succeed together and for our clients.

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## Stakeholders' Total Satisfaction

The focus of every aspect of the Group's strategy and operations is *Stakeholders' Total Satisfaction* (STS). Anchored by 7 Golden Rules, STS is a continuous improvement process in which every member of the company is involved. GEODIS constantly strives to fully understand the expectations of its customers, employees, the Group's shareholder (SNCF) and society at large, and we make every effort to satisfy them.

Key Performance Indicators (KPIs) monitor progress in achieving STS through:

- Monthly KPIs on the Golden Rules,
- External benchmarking such as *Investors In People* (IIP) and ISO standards,
- Yearly employee and customer satisfaction surveys.

## 7 Golden Rules

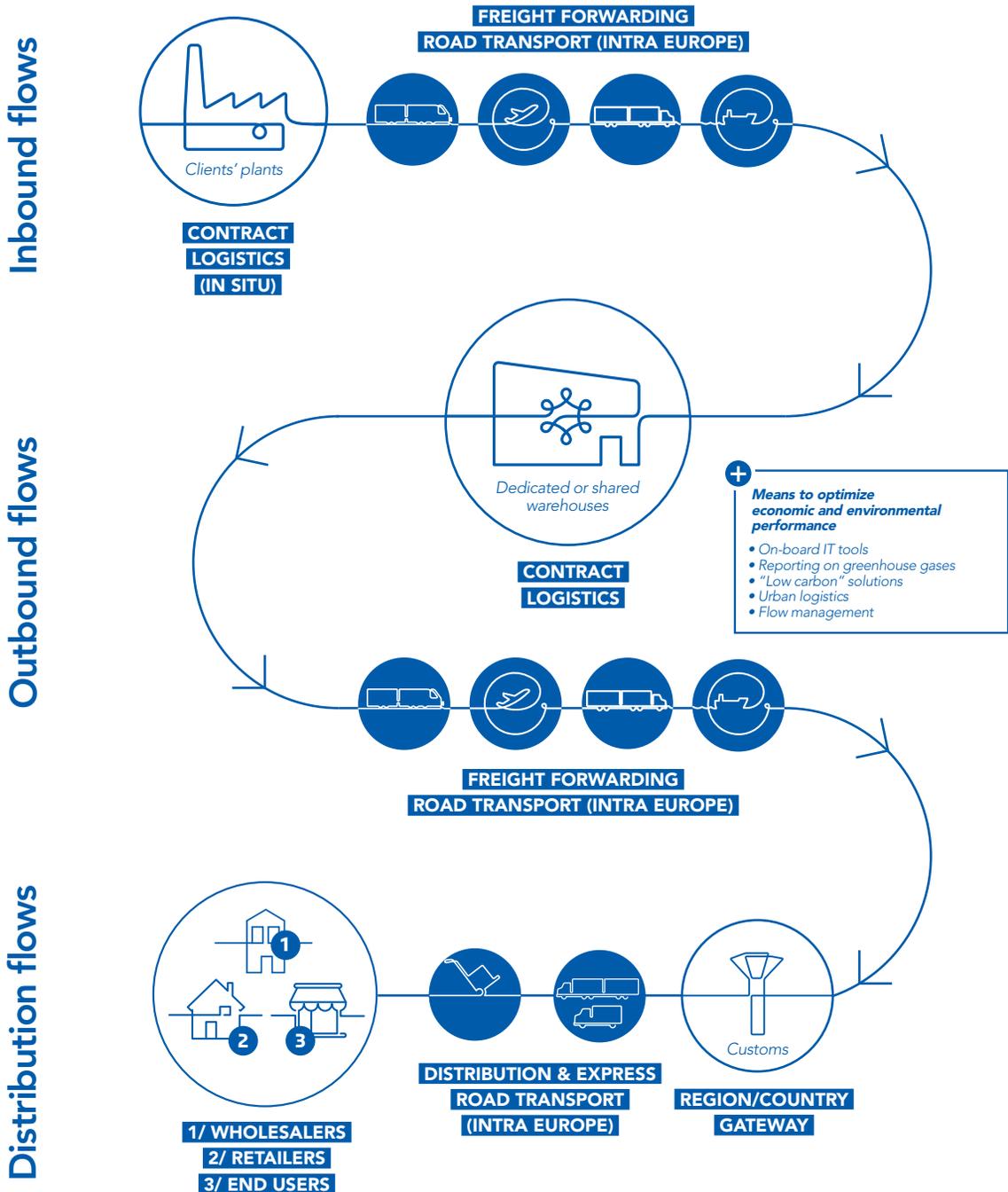
To achieve the goal of *Stakeholders' Total Satisfaction*, GEODIS has introduced 7 Golden Rules, which have become increasingly embodied within the Group. They are fundamental to all its actions and initiatives. The Golden Rules cover topics such as quality of service, safety, recruitment and employee development. The main CSR-related Golden Rule is "Be a Good Citizen", but other Golden Rules also concern CSR matters.

## GEODIS, a Unique Brand

Early in 2015, the Group took the next logical step in its *Ambition 2018* approach. GEODIS has united the commercial identity of its varied operations under a unique brand, strengthening its position as a leader in the Transport and Logistics sector. This unique brand replaces over 40 commercial brands previously associated to the Group's businesses and subsidiaries. This new branding architecture is an opportunity to reaffirm GEODIS' ability to offer a comprehensive end-to-end supply chain management service to its customers in 120 countries. This will be delivered

through its five Lines of Business: Supply Chain Optimization, Freight Forwarding, Contract Logistics, Distribution & Express and Road Transport. As a reliable, innovative and responsible Transport and Logistics operator, GEODIS wants to show its customers in its original domestic market, France, and all around the world, that it is a partner for sustainable growth. By living its Mission, Vision and Values and focusing on *Stakeholders' Total Satisfaction*, GEODIS believes it will fulfill this ambition.

# Solutions Integrated into Clients' Value Chain



# CSR Management at each Level of Governance

The Group's Corporate Social Responsibility Department reports directly to General Management. It relies on a network of CSR correspondents in each Line of Business. The CSR Department coordinates the CSR policy, which is put directly into practice through a number of steering committees. In particular, each Line of Business defines its own action plans and monitors its performance according to its own specific profile and characteristics. A reporting process on social and environmental indicators has been implemented since 2008.



## Core Documents

A number of reference texts and certain fundamental policies underline GEODIS' ambitions in CSR and its commitments. They include:

- The United Nations Global Compact, signed since 2003,
- A quality management system based on the ISO 9001 standard,
- An environmental management system based on the ISO 14001 standard,
- A safety management system based on the OHSAS 18001 standard,
- The *Investors In People* standard relating to Human Resources,
- ISO 26000 guidelines on CSR.

## External assessment of GEODIS by EcoVadis: 64/100, among the top five companies in the sector

EcoVadis, an independent platform that evaluates the CSR performance of companies in 150 sectors of activity, carried out an assessment of GEODIS in 2014. It was rated as "confirmed", with a score of 64/100 (63/100 in 2013). It scored 80 in the Environment section, 60 for Labor Practices, 50 for Fair Business Practices and 60 in the Suppliers section. GEODIS ranks among the top five companies in the Transport and Logistics sector, where the average overall score is 38/100.

# Ethics and Compliance: the Stakes are High

In recent years, GEODIS has kept on moving forward towards higher levels of ethics and compliance in order to develop trust and face a more demanding and risky environment.

GEODIS is deeply committed to its responsibilities towards all its stakeholders and to complying with the laws of every territory in which it operates. In this respect, the GEODIS Ethics and Compliance program has been globally deployed across its five Lines of Business. As an integral part of the Group's strategy and management system, the program is subject to a continuous process to develop trust and integrity.

## International Legislation

Although compliance needs permanent verification over a large number of risks, corruption, competition and export control are the three areas in which the greatest vigilance is required, notably because the reach of international laws and their enforcement (the American law FCPA – Foreign Corrupt Practices Act, UK Bribery Act, etc.), create much greater potential exposure to risk. The cost of wrongdoing would be measured not only in financial terms, with very heavy fines imposed, but also in strategic, reputation and commercial terms, with the risk of losing customers or even being banned in certain markets.

## Raising Awareness and Improving Compliance

In 2009, the Group set up an Ethics Committee and published its first Code of Ethics, which was distributed to all its

employees. Since then, many steps have completed the program. In 2014, this Committee took a further step, with the decision to establish Ethics and Compliance as a dedicated function at Group level. The Ethics & Compliance department focuses on raising awareness among GEODIS employees through interventions in seminars and has also launched an e-learning course on anti-corruption for up to 5,000 people. In parallel of this dissemination process, the department has prepared a revised version of the Code of Ethics, a Supplier Code of conduct as well as a compliance procedure for third-party due diligence. These initiatives were launched early in 2015.

### THIRD-PARTY DUE DILIGENCE

GEODIS' customers increasingly seek reassurance concerning Ethics and Compliance. The Group's priority for 2015 is improving its performance on third-party due diligence, i.e. a process to better know one's subcontractors and suppliers and gain confidence in their handling of ethical and legal issues, like corruption, export control, etc. This not only helps earn and keep customers' trust but it is also a key component in risk management.



#1

BEING THE SUSTAINABLE GROWTH  
PARTNER FOR OUR CLIENTS

# Improving Customer Satisfaction

GEODIS' mission is to help its clients succeed by overcoming their logistical constraints. The Group helps them reach their economic, environmental and social objectives to achieve sustainable performance.

GEODIS strives to be identified by its customers as their benchmark partner on social and environmental issues. To that end, GEODIS offers solutions that help their customers run their businesses more efficiently and responsibly. The Group aims at making progress in CSR hand-in-hand with its customers, so that they can achieve sustainable performance

together. As part of its commitment to *Stakeholders' Total Satisfaction*, the Group seeks to be its customers' partner for sustainable growth.

## Satisfaction Survey

In line with this commitment, in 2014 GEODIS carried out a customer satisfaction survey across the entire Group and in every country in which it operates. This was the first time such a comprehensive survey was conducted. Over 90,000 customers were invited to answer an online questionnaire; more than 8,500 responded, a high response rate for a B2B survey. One section of the questionnaire was devoted to CSR-related issues. Customers expressed a high level of satisfaction with regard to safety conditions (91%), consideration for diversity (91%), compliance with ethical conduct (91%) and respect for environmental matters (90%).

Since 2009, at the request of an increasing number of its customers, GEODIS has been assessed on its CSR performance by EcoVadis, an independent evaluation body (see page 9). The Group is committed to a policy of transparency with its customers, who can now benchmark its performance.

## A Perfect Service

Customer service is among the Group's topmost priorities, and is highlighted in one of the 7 Golden Rules: "Always deliver a perfect service." Numerous initiatives have been introduced in the Group's businesses to constantly remind employees of the importance of meeting customers' expectations on speed, accuracy, reliability, and so on. Two examples are daily 5-minute briefings for drivers in Distribution & Express and for warehouse staff in Contract Logistics, which provide constant opportunities to emphasize this point. GEODIS considers the information it provides to its customers as a key area of differentiation in comparison with its competitors. The track & trace software systems employed by Freight Forwarding are also part of the quality process and a source of customer satisfaction. ●



**8,500**

customers replied to the GEODIS customer satisfaction survey: the participation rate of 9% compares favorably with the average of 5% in B2B surveys.

**91%**

of GEODIS' customers are satisfied with safety conditions. Other scores in excess of 90% include diversity, ethical conduct and the environment.

**86%**

was the global level of satisfaction over all five of the Group's Lines of Business. 86% was also the satisfaction rate of customers on GEODIS CSR performance.

# Introducing Smart and Environment-Friendly Solutions

The Group's expertise in multimodal transport management maximizes its customers' performance and offers the greatest possible protection for the environment, whether it is transporting freight halfway round the world or organizing city-center last-mile delivery.

## The Megacities Project: Another Approach to Urban Logistics

In 2014, an international team involving all five Lines of Business began studying opportunities for the Group to offer tailored services for the world's largest cities (those with more than 10 million inhabitants). Opportunities and challenges surrounding urban logistics are critical for GEODIS.

Efficient last-mile delivery is vital for its customers' own CSR policies and for their image with their own customers. Moreover, today urban freight represents 20% of urban traffic but accounts for 25% of congestion and 40% of pollution. The last-mile delivery market is expected to expand 2.5 times by 2020 (source: Frost & Sullivan).

From a social point of view, new forms of consumption and of shopping are creating totally new needs.



### CLEAN DELIVERIES IN PARIS FOR BHV MARAIS

BHV MARAIS department stores in Paris Rivoli and Parly (part of Galeries Lafayette group) decided to make changes to their method of transferring goods from their warehouse outside Paris to its city-center premises. In support of Paris' anti-pollution measures, and in line with its commitment to sustainable development, BHV MARAIS requested that GEODIS implements a clean vehicles solution. GEODIS has provided the answer by introducing road tractor units running on compressed natural gas (CNG). Thanks to their dual-capacity gas tanks, these vehicles can carry out two days of deliveries (600 km) before refueling.



The Megacities project team decided to focus on pilot cities where GEODIS is already well established and has a good understanding of local needs, such as Paris, Mexico and Shanghai. In these cities, GEODIS' offer can include urban logistics consulting for prescriber institutions and authorities, creation and management of urban consolidation centers (platforms in the outskirts of cities for last-mile delivery to shopping centers, hospitals, airports, rail stations, etc.), and a range of dedicated solutions (natural gas, electric, cargo bikes, etc.). GEODIS also has a proven track record of environmentally-friendly

distribution in Paris, where the Group's urban logistics offer was first launched in 2011 with electric vehicles and cargo bikes for deliveries in the city center.

### Tailored Solutions for Freight Transport

As part of the SNCF Railway Group, GEODIS has the unique capacity of managing its customers' end-to-end logistic flow. The Group's expertise and network have made multimodal transport an asset for its customers and the environment.

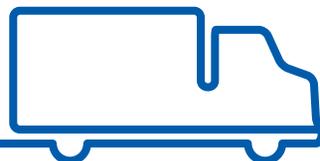
Transport means are combined to bring a tailored solution to each customer corresponding to the goods transported. Delivery deadlines and commercial pressures can make air transport the chosen solution for intercontinental freight, but when supply chain constraints allow more time for freight transit, sea transport may be preferable, as the environmental impact is reduced.

When and where possible, solutions include combined sea and air transport for international flows, combined rail-road transport, the use of rail motorways, an emphasis on rail for shipments to city centers and greener urban logistics. In line with this trend, GEODIS is developing new solutions, such as its new China-to-France rail offer, or cargo bikes and electric vehicles for deliveries in city centers. ●



#### A MULTIMODAL SOLUTION FOR P&G

GEODIS is offering the American retail group Procter & Gamble a multimodal solution as part of its domestic outbound flow from its plant in Amiens, Northern France. As part of a three-year contract signed in 2014, more than 2,300 trucks carrying hygiene, beauty, laundry and home care products per year transit to Southeastern and Southwestern France via the Group's multimodal platforms at Compiègne, Bonneuil-sur-Marne and Rungis, to Avignon and Montauban. The solution chosen by GEODIS, designed to support Procter & Gamble's environmental policy, combines rail, road and combined rail-road transportation. This rail-road solution makes it possible to reduce the carbon footprint of these flows by 65% compared to a road-only solution.



# Innovating to Optimize Customers' Supply Chains

GEODIS is developing its capacity for innovation, introducing new and original processes, methods and approaches that improve its performance.

Whether they are inspired by other industries or are devised specifically for Transport and Logistics applications, innovative ideas are the life force of the Group's operations. "Innovation" stands as one of the five values of GEODIS (alongside Commitment, Solidarity, Trust and Passion). The Group is committed to encouraging both customers and employees to fully recognize the significance of this dimension.

In 2014, GEODIS appointed its first Director of Innovation at Group level, to accelerate and to develop a culture of innovation within the Group, optimize the use of resources and oversee the implementation of innovation projects. In particular, teams with representatives from all Lines of Business have been working since early 2014 on four innovation projects that GEODIS expects to play a large part in the future: Megacities (see page 13), E-Commerce, Big Data and 3D Printing.

## A Higher Profile for Innovation

For the first time, in 2014, the annual GEODIS "Golden Globes" awards included an Innovation category, another way of raising the profile of innovation. Both winning entries

came from the Distribution & Express Line of Business: a new iPad application for sales forces and an online service called "On Demand" that allows recipients to specify convenient times for parcel deliveries. Many of the innovations developed by GEODIS are designed to optimize customer supply chains and thus to improve both economic and environmental performance. The Distribution & Express and Road Transport Lines of Business both use onboard IT tools: *Geodriver* (based on a 10 million address database) and *Copilote* are designed to make delivery rounds more efficient for Distribution & Express. *Eliot*, used by heavy trucks, is a system intended to improve operations thanks to better communication with the driver, linked to the TMS, for the transmission and the follow-up of transport orders. It also has a complementary function: it measures the real fuel consumption (thanks to specific sensors) and thus enables evaluation of the driver's behavior in terms of eco-driving.

Both the customer and employee satisfaction surveys carried out in 2014 included questions on innovation. The results showed that there is still insufficient recognition among these two populations of GEODIS as an innovator. Actions have been planned to further raise awareness about the topic internally and externally. This is a long-term task, but transformation is under way. ●

*"In my position, my role is to encourage and to facilitate Innovation throughout the Group, leveraging on our 30,000 employees' knowledge, experience and creativity to make our business safer, easier, more efficient and to improve customer satisfaction."*

Philippe de Carné, Vice-President Innovation

# Selecting and Assessing Suppliers and Subcontractors on CSR Standards



The annual purchases of GEODIS amount to more than €4 billion (including transport subcontracting). Its suppliers and subcontractors therefore represent a strategic source of leverage for improving GEODIS' CSR performance.

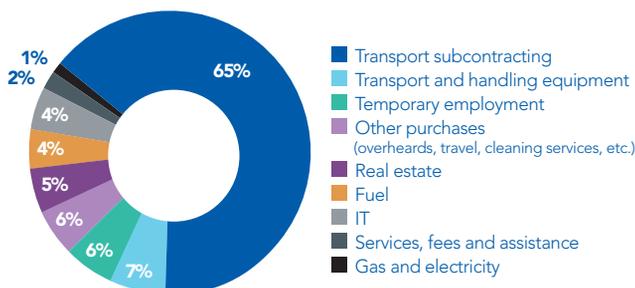
## Selection and Evaluation of Partners on a CSR Basis

Since 2011, social, environmental and ethical criteria have been systematically included in calls for tender, analysis grids and standard contracts. Although CSR criteria are generally not considered as grounds for rejecting bids, they are considered as important factors when selecting new suppliers. All categories of purchases that GEODIS requires for its daily operations have the potential to improve CSR performance. Purchases of real estate, fuel, packaging, consumables, vehicles and travel as well as the hiring of temporary workers have been targeted in recent years with actions to reduce their environmental impact.

## Assessment of Partners, a Potential to Leverage Performance

To enhance and facilitate the selection process, GEODIS joined EcoVadis in 2011, an independent body that evaluates the CSR commitment of thousands of suppliers in 150 business sectors in over 90 countries. The assessment includes questions on environmental, social and ethical subjects. It is based on a reference system consistent with international standards such as ISO 26000 and the Global Reporting Initiative. In 2014, the Freight Forwarding Line of Business continued to evaluate its main air and sea carriers (transport subcontractors). Improving subcontractors' social and environmental performance is crucial for improving both the Group's own performance and that of its customers. While subcontractors account for more than half of the Group's purchasing, they are also responsible for a major part of the greenhouse gas emissions generated by its activities (based on the calculation of GEODIS' carbon footprint in 2010, they accounted for 87% of the Group's greenhouse gases). •

**GEODIS purchases breakdown by category**  
(Scope France, 2014)





#2

REDUCING OUR ENVIRONMENTAL FOOTPRINT

# Acting for Climate and Energy Transition

In common with all operators in the international transport industry, GEODIS constantly endeavors to reduce its carbon footprint and limit its greenhouse gas emissions.

## Measuring and Reducing Emissions

In 2012, the Group initiated the integration and deployment of the EcoTransIT World tool within its IT solutions. The purpose of the tool is to measure emissions of greenhouse gases and atmospheric pollutants for all means of transport and all geographical areas. It is aligned with the European standard EN 16258 which defines a methodology for calculating greenhouse gas emissions in the transport sector common to all European countries. GEODIS is able to ensure that all transport flow segments are covered by a proven method of calculation. The Group is implementing a global, harmonized response that enables it to measure and manage its carbon footprint and to supply customers with reporting data on the emissions generated by their freight flows, as required by French

legislation in force since October 2013. In compliance with the same French legislation, the Distribution & Express Line of Business in France also reports its CO<sub>2</sub> emissions to customers since October 2013. While providing them with the compulsory data free of charge, it has also implemented a more sophisticated analysis available as an option.

GEODIS is committed to developing alternative low-carbon transport solutions, and is one of the sector’s leading specialists in this area. The Group is progressively replacing vehicles in its fleet with more efficient ones in terms of emissions performance, and is developing the use of low-pollution vehicles (hybrid, natural gas and electric), particularly within cities. It endeavors not only to limit its impact on climate change, but also to reduce the impact of pollutants on air quality.

## Cooperation throughout the Industry

Reducing greenhouse gas emissions requires a collective effort by all players, both carriers and customers. For this reason, the Group is involved in various sectoral initiatives around the world to improve the



### THE “GREEN FREIGHT EUROPE” LABEL

In December 2014, GEODIS was selected along with 21 transport operators and industrials from several sectors to be awarded the “First Leaf” label by Green Freight Europe (GFE), an industry-driven program to support companies in improving the environmental performances of freight transport in Europe.

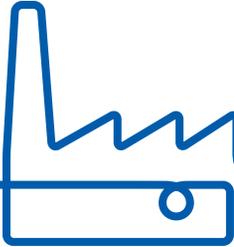
The next step for Green Freight Europe is to deploy the four-tier labeling system for companies that recognize their efforts to communicate their CO<sub>2</sub> data and information on policies, strategy and actions to reduce CO<sub>2</sub> emissions from transport operations.





environmental performance of transport. Throughout 2014, GEODIS was closely involved in the following programs:

- *EcoTransIT World Initiative*, a consortium in which numerous logistics operators



collaborate on calculating and reducing the environmental impact of freight transport;

- *Green Freight Europe*, a collaborative platform bringing together carriers and shipping customers;
- *SmartWay USA*, a program set up by the Environmental Protection Agency in the US that aims to help the freight industry improve supply chain efficiency. GEODIS actively participated in expanding this program to *SmartWay Canada*;
- *Transporte Limpio* in Mexico, a government program for the certification of carriers actively seeking to cut their CO<sub>2</sub> emissions.

Starting in 2015, the Group is taking part in work carried out by the *Global Logistics Emissions Council*, run by the Smart Freight Centre, which aims to make the global freight sector efficient and environmentally sustainable; *Club Demeter Environnement et Logistique*, a French organization for supply chain players, and the *Clean Cargo Working Group*, an international body for cargo carriers and their customers focusing on marine container transport.

All these bodies work closely with the Transport and Logistics sector as well as with shipping customers on reducing emissions of greenhouse gases and other pollutants. ●



## DISCLOSING CARBON EMISSIONS THROUGH CDP

In 2014, GEODIS joined the Carbon Disclosure Project's (CDP) Supply Chain Program, following a request from customers for an evaluation of its efforts in reporting and controlling greenhouse gas emissions. The CDP is a global organization. GEODIS joined because countries and companies cannot fight climate change in isolation, and the responsibility in tackling greenhouse gas emission must be collective. Assessed on a range of topics, GEODIS was given a score of 62D by CDP. 62 relates to an above-average record on disclosure (industry average: 54) which measures the level of transparency. The D score covers performance. The 2014 results of GEODIS' assessment by the CDP Supply Chain Program provides valuable feedback for evaluating the Group's efforts in measuring and controlling emissions. This feedback is a solid foundation to build upon and to align the Group's evaluation with its actions.

# Controlling the Environmental Impact of Sites and Buildings

GEODIS disposes of a wide-array of buildings and worksites: Head Offices, sales offices, Logistics warehouses and Distribution platforms.

The Group is striving to limit the environmental impact of its sites. Based on the ISO 14001 standard, the environmental management system includes measures to minimize the consumption of gas, electricity and water, manage waste and constantly train staff on these subjects. By the end of 2014, 39% of the Group's 687 sites had ISO 14001 certification, compared with 38% at the end of 2013. GEODIS is developing a triple QSE certification process, with facilities applying for Quality certification (ISO 9001) and Safety certification (OHSAS 18001) as well as Environmental certification (ISO 14001). By the end of 2014, 20% of the Group's sites obtained triple QSE certification.

Depending on their specialist activities, some sites from different Lines of Business are certified ISO 22000 (food safety), ISO TS 16949 (automotive quality compliance), TAPA (freight security standard), Certipharm (quality in the healthcare sector), AEO (Agreed Economic Operator for customs formalities), or are assessed in terms of SQAS (safety and quality in the chemicals industry).

## Economic and Environmental Benefit

Because GEODIS rents the majority of its buildings, the actions it can take to enhance their environmental performance are sometimes limited. Measures to

### OPTIMIZING WASTE RECOVERY

As a basic part of its environmental policy, GEODIS sites work on optimizing processes for both hazardous and non-hazardous waste. Hazardous waste such as filter sludge from vehicle washing, used oil, batteries, etc. is stored and then transferred to specialized facilities. Non-hazardous waste from activities (wooden pallets, cardboard, plastic films, paper, metal, etc.) is sorted and stored for processing and recovery whenever possible. In 2014, 77% of non-hazardous waste generated by Group activities was recovered.

save energy on lighting are considered whenever feasible. New sites using LED lighting opened in France and in Italy in 2014. Decisions on converting the lighting systems in established sites are taken in line with financial and environmental criteria, as such solutions offer lower power consumption despite higher initial installation cost (the investment has to be amortized by cost savings before the end of a lease period, for instance).

In 2014, GEODIS started preparing for a new French regulation that will make energy audits mandatory. The first wave of audits on a few dozen sites will be performed by December 1, 2015. ●

# Limiting Fuel Consumption and Polluting Emissions

GEODIS owns and operates fleets of vehicles in its Road Transport and Distribution & Express Lines of Business. It assumes its responsibility for limiting polluting emissions.

As a transport operator, GEODIS is fully aware of the harm caused to the environment by greenhouse gases, most notably carbon dioxide, which are causing climate change, and by local pollutants, such as carbon monoxide, nitrogen oxides and particulates, which affect air quality and human health.

## The Latest European Standards for Vehicles

Most of GEODIS' fleet uses combustion engines. The Group is progressively upgrading its vehicles so that an increasing number of them are compliant with Euro 5 and Euro 6 emission standards. By the end of 2014, 79% of the GEODIS' 4,631 vehicles were Euro 5/6-compliant and 2% were EEV (Environmentally Enhanced Vehicles, such as those running on electricity, natural gas or hybrid vehicles).

## Less Polluting Fuels

In an effort to reduce environmental impact as much as possible, the Group uses "clean" vehicles (electric and compressed natural gas), especially in urban environments, whenever it is technically feasible (e.g. for short-range journeys) and economically viable. Since reducing fuel consumption results in curbing polluting emissions, the Group uses features and technologies that can help economize fuel, including engine governors to limit speed to 82 km/h, energy-saving tires, automated manual transmission, roof and side deflectors and side fairings. Heavy trucks are also equipped with *Eliot* software designed to monitor fuel consumption. The benefits of lower fuel consumption are, of course, economic as well as environmental. ●

## A SMOOTH DRIVE

All drivers in the Road Transport and Distribution & Express Lines of Business in France receive training in eco-driving techniques. At the Road Transport Line of Business, drivers are trained every two years by in-house driving trainers. The benefits of a smoother driving style based on anticipation and minimal use of braking are multiple: both fuel consumption and polluting emissions are reduced, driver safety is improved as there are fewer accidents, and there is less damage to goods in transit.





#3

FOSTERING HUMAN DEVELOPMENT

# Motivating through Dynamic HR Management

GEODIS' objective is to have all its operations accredited for the international standard *Investors In People* by the end of 2016.



The international standard *Investors In People* (IIP) forms the backbone of the GEODIS Human Resources policy. It affects recruitment, as people are hired in terms of defined functions and are given clear job descriptions. Teams understand company strategy and are given the training they need to meet their targets. They receive clear feedback from their line managers. Employees are encouraged to request training and to suggest innovations. The principle of equal opportunities ensures that everyone is treated equally. IIP boosts performance, making it a business tool as much as an HR policy. By the end of 2014, almost all Freight Forwarding operations had been IIP certified, along with the Group's Head Office. The Road Transport and Contract Logistics Lines of Business are preparing for audits in 2015; the Distribution & Express and Supply Chain Optimization Lines of Business will follow suit in 2016.

## Employee Satisfaction Survey

In the context of its commitment to *Stakeholders' Total Satisfaction*, it is important for the Group to measure the level of employee satisfaction. The second employee survey, conducted across all Lines of Business and on a global level, was carried out in October 2014. Questions cover management, daily working conditions, learning and development, how employees perceive the link between their work and Group strategy, innovation, communication, etc. There was a notable increase in the participation rate compared to the previous year, and the vast majority of topics (such as leadership, training, working conditions, communication) achieved higher scores in the second survey, meaning that action plans set up in 2013 (after the first survey) proved to be efficient.

## Social Dialogue

Positive and constructive labor-relations dialogue is managed locally. Although not considered as mandatory, GEODIS organizes a European Consultation Committee for staff representatives. It meets twice a year. Presentations include information on Group strategy, results, recruitment trends, etc. •

# 84%

of the Group's employees responded to the Employee Satisfaction Survey in 2014, a three-point increase on the previous year's figure of 81%.

# 86%

was the overall satisfaction rate ("I like...") across all topics. The total satisfaction rate ("I love...") rose from 39% in 2013 to 44%.

# 28

languages were required so that the Group's 30,000 employees could complete the questionnaire in their preferred language.

# Preventing Accidents in the Workplace

One of the Group's 7 Golden Rules states: "Ensure the safety of our people everywhere and at anytime."

Safety is at the heart of all GEODIS' operations and every Line of Business is responsible for its own safety policy.

## Training and Awareness

Sites from Freight Forwarding, Distribution & Express and Contract Logistics deploy the OHSAS 18001 certification. By the end of 2014, 170 sites, (25% of the total) were certified. The Group's Management Committee monitors safety performance closely, and safety is always the first item on the agenda at its monthly meetings. The Contract Logistics, Distribution & Express and Road Transport Lines of Business, with the highest risk of accidents (on site or on the road), developed a variety of campaigns targeting specific risks and dangerous behaviors in 2014. Contract Logistics extended the "VIC" campaign to all its warehouses throughout the world. First introduced in the Netherlands in 2012, "VIC" is a mascot (that stands for "Veiligheid Is Cruciaal" in Dutch or "safety is crucial") omnipresent on all posters, documents and charts on accident-prevention. The campaign has made an impact as safety results have shown a significant improvement in this Line of Business.

Distribution & Express, meanwhile, launched a poster campaign in which individual members of the Management Board are pictured demonstrating good safety practices on the road and on sites, using personal protective equipment correctly, climbing into the cab safely, etc. Awareness of safety issues is also the focus of a daily routine in which drivers are given a one and a half minute presentation of a safety topic. In Road Transport, drivers take part in quarterly safety meetings which mainly focus on safe driving, with agenda linked to the record of accidents observed. There is also a reminder on good practices, such as adapting your driving style in winter conditions, fog, etc. ●



## PROTECTION FOR LONE TRUCK DRIVERS

The Road Transport Line of Business has developed a system to help protect drivers who have to work alone (for instance at night). The system is triggered when the driver's tachograph is put into work mode. When the time theoretically needed to carry out a task has elapsed, it emits an audible signal and sends the driver an SMS. If there is no response, a second signal is sent out. If there is still silence, a 24/7 service is dispatched to deal with any emergency that may have arisen. The system was distributed to all Road Transport lone truck drivers in France in 2014.

# Developing Employees' Skills and Enhancing their Careers

GEODIS is committed to ensuring that employees have access to development opportunities and that everyone is assured equal opportunities.

Training is encouraged across the whole Group, and numerous options are available. Employees are offered programs covering a broad array of topics, some specific to their Line of Business, others concerning management techniques, the acquisition of specialized skills, personal development and foreign languages.

Alongside conventional classroom training, there is a growing emphasis on e-learning. "G-Campus" is a worldwide platform that has been available since 2011 to all employees with computer access. It provides three kinds of modules: off-the-shelf training packages covering general management topics such as gender diversity, corporate issues such as ethics, and mainly technical packages devised by individual Lines of Business. Among the most popular e-learning themes in 2014 were gender equality and CSR.

## Promoting Gender Equality

GEODIS seeks to promote diversity and gender equality in all its Lines of Business, including those perceived as predominantly masculine. It introduced the Equalis policy in 2012, launching a campaign for units to be certified for compliance with the GEES/GEIS (Gender Equality European/International Standard) label, a continuous improvement process. In 2014, Australia, Canada, Hong Kong, Mexico and the Netherlands were added to the list of countries certified by external auditors for their handling of gender equality issues. May 2014 saw the first anniversary of the GEODIS Women's Network, which is linked to the network "SNCF au Féminin". The GEODIS

Women's Network, created in 2013 at the instigation of CEO Marie-Christine Lombard, aims at making the Group more attractive to women and developing the potential of women within the Group by helping with their career development. For example, in 2014 it set up a program in which members of the Executive Committee mentored 24 female managers on a one-on-one basis. It also organized a series of workgroups to reflect on the Group's 7 Golden Rules and gave presentations to senior management. Whenever possible, GEODIS introduces measures according to local needs to help ease the work/life balance for people with families. For instance, local daycare solutions can be offered. ●

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*The Investors In People program is the backbone of the Group's Human Resources policy. Access to training and equal opportunities for everyone are two key aspects. Certification is not the result of an audit of procedures, but an assessment of employees' views. Their satisfaction with the way their careers evolve and develop is an essential factor in our being certified."*

Elisabeth Rasmussen,  
Vice President Human Resources



#4

BEING INVOLVED AT THE HEART  
OF SOCIETY

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# Encouraging Social Commitment and Environmental Conservation

As a global operator, GEODIS fully assumes its responsibility to provide support to disadvantaged sections of the population in local communities and to play its part in initiatives to help protect the planet.

GEODIS actively supports humanitarian and environmental causes, providing skills and facilities to help those in need. Moreover, the Group creates opportunities for employees to take part in these ventures. Through their commitment, employees take pride in acting for the benefit of society and the environment. As part of its social commitment, GEODIS encourages entrepreneurship projects and initiatives carried out by the disabled. In 2014, the Group funded three projects in France: raising awareness on discrimination, supporting battered disabled women, and a directory of handicap-friendly sites.



## AID FOR CHILDREN IN UGANDA

“Les Écoliers de Kampala” (Schoolchildren of Kampala) is an association founded in France that seeks to improve the living conditions and education of children who live in areas of urban poverty in Uganda. It helps provide children with clothes, toys and clean water, as well as the school facilities that help some of the world’s most underprivileged children. The Freight Forwarding Line of Business transported a consignment of 240 articles of clothing, shoes and toys donated to the charity in France to Uganda free of charge. They were distributed to orphans in Mityana and to children for whom a school has just been built in Mulago, one of the slums of Kampala.





## Initiatives across the Group

Fighting against exclusion and preserving natural resources were the two themes of the *Happy GEODIS Week* that took place between June and October 2014. Employees were asked to submit social or environmental initiatives. The operation was based on an idea suggested by the GEODIS Women’s Network. The *Triboulo* project, one of the winning entries, was from a Distribution & Express depot in Northern France. It promotes the notion of a circular economy: employees are invited to deposit second-hand clothes, shoes, etc. in collection boxes on the site. Money raised by this venture provides truck driver training for the long-term unemployed. Another winning entry was the Green Guide devised by the Contract Logistics Line of Business in Germany. This is a compendium of good practices and environmentally responsible behaviors that can be adopted by every employee with the aim of conserving natural resources.



## Support for Handicap International

Meanwhile, at a corporate level, GEODIS signed a partnership agreement in 2014 with Handicap International, a non-profit organization that supports people with disabilities and other vulnerable populations living in conflict and disaster zones and in situation of exclusion and extreme poverty. The Group pledged to give €1 for every complete questionnaire of the customer satisfaction survey submitted in 2014. GEODIS participated in funding a Handicap International program in Indonesia, giving 360 disabled children access to school.

## CARING FOR THE COMMUNITY IN ARGENTINA

Members of the Freight Forwarding and Supply Chain Optimization Lines of Business in Argentina are playing their part in supporting disadvantaged people in Buenos Aires. A group of six employees raise funds for a kindergarten for poor families. They organize a collection among the personnel once a month, and the sum collected is matched by GEODIS. The money is used to buy supplies and equipment for children between the ages of a few months and five years. In another community project, a team of volunteers holds weekly meetings for the homeless, the elderly, single mothers and families in difficulty to help them find solutions to make their lives less difficult.



## Outlook for 2015-2016



### EMPLOYEES: BEING A COMMITTED AND ATTRACTIVE EMPLOYER

- Continuing to raise awareness on safety issues, to reduce accident frequency and severity.
- Developing diversity, in particular professional equality between men and women, and integration of disabled people in the workplace.
- Pursuing the deployment of *Investors In People* across the Group and action plans on employee development based on the results of the 2014 employee satisfaction survey.



### CUSTOMERS: BEING A PARTNER TO OUR CLIENTS' SUSTAINABLE GROWTH

- Developing partnerships with customers to better understand their CSR expectations and offer adapted solutions.
- Assisting customers in their supply chain carbon footprint optimization, building on GEODIS' measurement tools.
- Continuing to deploy more environmental-friendly operational solutions such as urban logistics solutions.



### PARTNERS: RALLYING OUR PARTNERS AROUND OUR COMMITMENTS

- Continuing to evaluate suppliers and subcontractors on their CSR performance.
- Developing responsible procurement: green procurement, social procurement, by using suppliers that meet environmental or social criteria.
- Fostering socially-inclusive purchasing by working with suppliers that employ disabled workers.



### SOCIETY: COMMIT TO THE ENVIRONMENT AND THE COMMUNITY

- Continuing to develop initiatives that reduce fuel consumption or that improve carbon efficiency.
- Updating GEODIS' global carbon footprint calculation.
- Developing green initiatives on buildings.
- Enhancing and encouraging corporate sponsorship policy and citizenship initiatives worldwide.

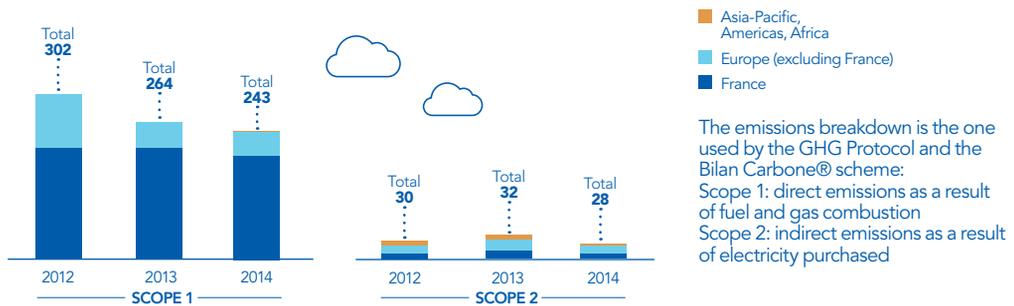
# CSR Indicators

## ENVIRONMENT

### GEODIS CO<sub>2</sub> emissions

(In thousands of tons CO<sub>2</sub>-eq – scopes 1&2 – Worldwide)

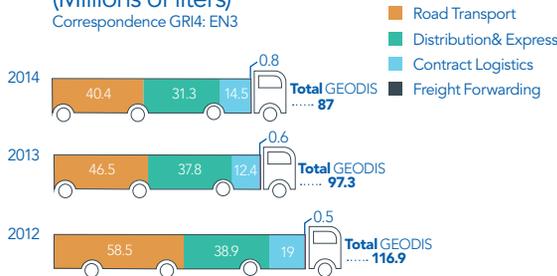
Correspondence GRI4: EN15



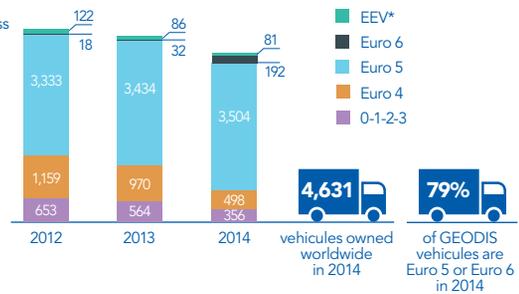
### Annual fuel consumption

Worldwide, by Line of Business  
(Millions of liters)

Correspondence GRI4: EN3



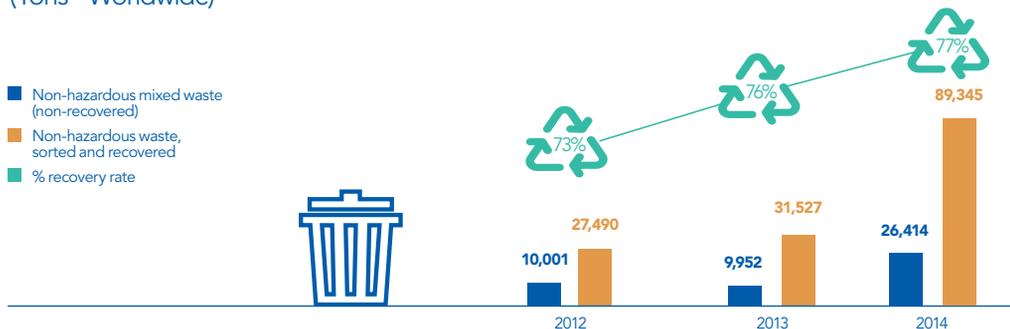
### Breakdown of GEODIS vehicle fleet worldwide (Number of vehicles)



\*EEV (Environmentally Enhanced Vehicles, such as those running on electricity, natural gas or hybrid vehicles)

### Non-hazardous waste production and recovery (Tons - Worldwide)

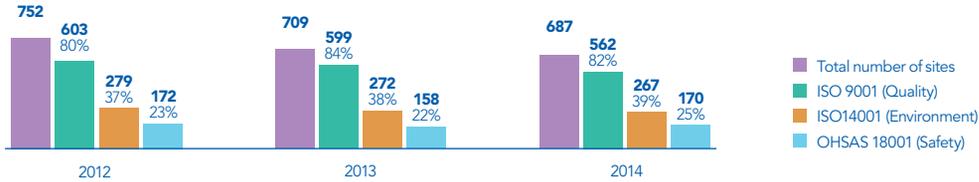
- Non-hazardous mixed waste (non-recovered)
- Non-hazardous waste, sorted and recovered
- % recovery rate



## CERTIFICATIONS

### GEODIS site certifications (Number and Percentage of all sites)

Correspondence GRI4: EN31



The number of sites and certifications have decreased because of the sale of activities in Europe in 2014. At the end of 2014, 20% of sites have the triple certification Quality, Safety and Environment.

## SOCIAL

Correspondence GRI4: LA9

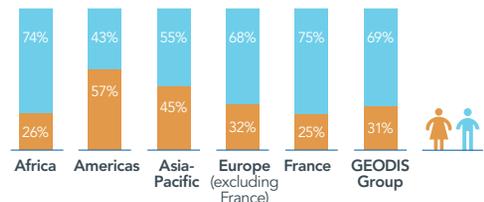


**30,000**  
employees in  
67 countries  
in 2014



**14.11** hours  
of training per employee  
in 2014 (in Full-Time  
Equivalent)

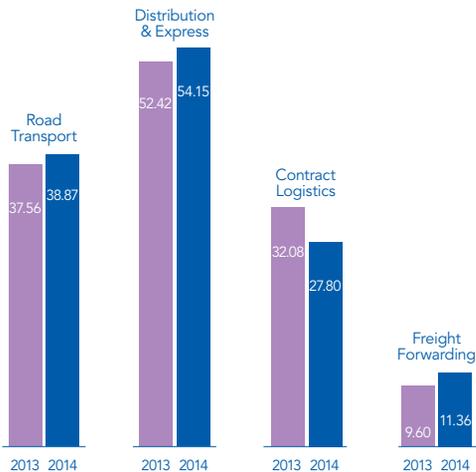
### Breakdown of workforce by gender and region in 2014 (in % - Worldwide, by Line of Business)



### Safety: frequency of occupational accidents in France

(in Full-Time Equivalent, by Line of Business)

Correspondence GRI4: LA7

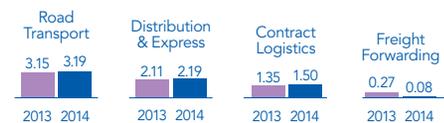


Frequency of occupational accidents: (Number of occupational accidents with at least one day of lost time x 1,000,000) / total number of worked hours.

### Safety: severity of occupational accidents in France

(in Full-Time Equivalent, by Line of Business)

Correspondence GRI4: LA7



Severity of occupational accidents: (Number of days lost x 1,000) / number of worked hours.



**FOR MORE INFORMATION** All the 2014 CSR indicators, as well as details of the reporting methodology (scope of the reporting, process for collecting and consolidating data, choice of indicators, limitations of the methodology, checks and verification of indicators) and correspondence with the Global Reporting Initiative (GRI, G4 Sustainability Reporting Guidelines) are available on [www.geodis.com](http://www.geodis.com)

